

## Message Text

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ACTION EA-09

INFO OCT-01 EB-07 ISO-00 /017 W  
----- 101673

P R 240830Z AUG 76  
FM AMEMBASSY JAKARTA  
TO USDOC WASHDC PRIORITY  
INFO SECSTATE WASHDC 6352  
AMEMBASSY BANGKOK  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY SINGAPORE  
AMCONSUL MEDAN  
AMCONSUL SURABAYA  
AMEMBASSY MANILA  
AMCONSUL HONG KONG

UNCLAS JAKARTA 11054

E.O. 11652: N/A

TAGS: BEXP, ID

SUBJ: PROPOSED FY 1978 EVENT SCHEDULE

REF: A) USDOC 1359, B) JAKARTA 8354, C) BANGKOK 23107, D) 75 JAKARTA  
14274, E) 75 JAKARTA 13567, F) 75 JAKARTA 7894

1. SUMMARY: EMBASSY BELIEVES PROPOSED USAQUIP '78 (AS PRESENTLY SCHEDULED AND CONSITUTED) AND ENERGY/FLUID TRANSFER SYSTEMS SEMINAR ARE INAPPROPRIATE THEMES FOR JAKARTA '78 PROGRAMMING. EMBASSY RECOMMENDS INSTEAD TECHNICAL SALES SEMINARS IN AGRIBUSINESS EQUIPMENT, TEXTILE EQUIPMENT AND/OR WOOD PROCESSING EQUIPMENT.

2. EMBASSY CONFUSED BY PROPOSED SCHEDULING (REF A) OF JAKARTA USAQUIP '78 IN JANUARY 1978, ONLY FIVE MONTHS AFTER CARGO AND MATERIALS HANDLING SHOW, FEATURING HIGHLY SIMILAR EQUIPMENT, NOW TENTATIVELY SCHEDULED FOR EARLY AUGUST, 1977. WE HAVE ALREADY COMMENTED (REF B) REGARDING OVERLAP THEMES USAQUIP '78 WITH PREVIOUS USAQUIP '74 AND MHE SHOW 1977. DOES USAQUIP REPLACE MHE SHOW? OR IS DATE MISSTATED? PLEASE CLARIFY.

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3. OF OTHER THEMES/PROPOSED FOR USAQUIP '78 ONLY ONE THAT WOULD

BE OF HIGH PRIORITY INTEREST IN JAKARTA WOULD BE AGRIBUSINESS.  
GIVEN BANGKOK INTEREST IN SAME THEME (REF C) OIM MAY WISH CONSIDER  
PROGRAMMING A TECHNICAL SEMINAR ON AGRIBUSINESS AT BOTH POSTS OR  
SHOW AT BANGKOK WITH SEMINAR AT JAKARTA.

4. WE HAVE PREVIOUSLY RECOMMENDED AGAINST ENERGY AND FLUID TRANSFER  
SYSTEMS EVENT (OUR REASONING WAS LAST STATED REF D). MOBIUS DRAFT  
SECTOR REPORT ON ELECTRIC POWER HAS NOT RPT NOT ALTERED EMBASSY  
VIEW. MOBIUS REPORTS THAT LARGE NUMBER OF U.S. FIRMS ARE ALREADY  
ACTIVELY REPRESENTED HERE, AND THAT ENTRENCHED COMPETITION COMPETES  
PRIMARILY ON BASIS OF DELIVERY, DISTRIBUTION SYSTEMS AND AFTER-  
SALES SERVICING. FURTHER, MOBIUS PROJECTS RELATIVELY FLAT GROWTH  
CURVE IN MARKET, ESPECIALLY IN THE CAPTIVE SECTOR. FINALLY, IT  
IMPROBABLE THAT TECHNICAL SEMINAR COULD MATERIALLY IMPACT ON ABOVE  
FACTORS OR THOSE MOBIUS IDENTIFIES AS CAUSING PROJECTED DECLINE  
IN U.S. MARKET SHARE, I.E. REDUCED GOVERNMENT TO GOVERNMENT FINANCING  
AND PLN SHIFT TO EUROPEAN STANDARDS.

5. MOBIUS REPORT ON TEXTILES CONFIRMS OUR VIEW THAT  
TEXTILE EQUIPMENT (REF E) DESERVES MUCH HIGHER USG PRIORITY THAN  
ELECTRIC POWER. REPORT IDENTIFIES A MUCH MORE DYNAMIC MARKET IN  
WHICH U.S. FIRMS NOW PRACTICALLY UNREPRESENTED, WITH GROWTH FROM  
\$137 TO \$265 MILLION IN PERIOD 1975-89. THIS SEEMS IDEAL SITUATION  
FOR USG MARKET PROMOTION ROLE. U.S. TEXTILE EQUIPMENT PRODUCERS  
NEED BE MADE AWARE OF OPPORTUNITY IN INDONESIA AND GUIDED IN  
PURSUING IT, WHILE AT THE SAME TIME INDONESIAN AWARENESS OF AND  
INTEREST IN U.S. EQUIPMENT NEEDS TO BE STIMULATED. EMBASSY  
ENDORSES MOBIUS RECOMMENDATION THAT APPROPRIATE VEHICLE WOULD BE  
TECHNICAL SALES SEMINAR.

6. WOOD PROCESSING IS ANOTHER SECTOR IN WHICH USG PROMOTION  
OFFERS CHANCE OF SUBSTANTIAL RETURNS. WITH EXPORT LUMBER MARKET  
IMPROVING, THERE IS INCREASED LIKELIHOOD OF SUCCESSFUL IMPLEMENTA-  
TION OF GOI DIRECTIVES TO INDUSTRY TO INCREASE INDONESIAN EXPORTS OF  
PROCESSED LUMBER VS. LOGS. THUS WE MAY BE AT FRONT END OF RAPID  
EXPANSION IN PURCHASES OF WOOD PROCESSING EQUIPMENT. MOBIUS  
REPORT INDICATES US FIRMS HAVE WORK CUT OUT FOR THEM IN ESTABLISHING  
LOCAL REPRESENTATION WITH STRONG FOLLOW-THROUGH, IN OVERCOMING  
PREVAILING NEGATIVE ATTITUDES TOWARD US SOFT WOOD MACHINERY, AND  
IN EXPLAINING LONG TERM RATIONALE FOR PURCHASING MORE EXPENSIVE  
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US EQUIPMENT. TECHNICAL SALES SEMINAR WOULD BE IDEAL VEHICLE FOR  
CONVEYING THESE MESSAGES AS WELL AS INTRODUCING U.S. FIRMS TO MARKET  
OPPORTUNITIES AND TO INDONESIAN TURNKEY REQUIREMENTS. EMBASSY  
RECOMMENDATION IS CONSISTENT WITH PREVIOUS PRIORITY GIVEN THIS  
SECTOR IN BEST PROSPECT REPORTS FOR FY 1977, 1978 (REF F AND E,  
RESPECTIVELY) AND 1977 CCP.

7. OFFICERS WORKING ON TEXTILES AND FORESTRY SECTORS BOTH NEWLY

ASSIGNED THESE RESPONSIBILITIES AND ARE BASING RECOMMENDATIONS ON MOBIUS REPORTS. UPON FURTHER INVESTIGATIONS OF SECTOR, THEY MAY WISH REVISE/REFINE RECOMMENDATIONS RE ADVISABILITY, TYPE, CONTENT AND TIMING OF PROPOSED EVENT. HOWEVER, AT THIS POINT EMBASSY CONFIDENT THAT MARKET RESEARCH JUSTIFIES SCHEDULING JAKARTA TECHNICAL SEMINARS IN AGRIBUSINESS, TEXTILE MACHINERY, AND/OR WOOD PROCESSING EQUIPMENT. ALL THREE THEMES WOULD HELP FULFILL CCP CAMPAIGNS/PROGRAMMED ACTIVITIES. EMBASSY WOULD WELCOME COMMENTS FROM OTHER ADDRESSEES IN REGION RE RELEVANCE THESE THEMES TO THEIR MARKETS.

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Copy:** SINGLE  
**Draft Date:** 24 AUG 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
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**Disposition History:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
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**TAGS:** BEXP, ID  
**To:** COM  
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